



Senate

General Assembly

File No. 443

January Session, 2007

Substitute Senate Bill No. 1130

Senate, April 11, 2007

The Committee on Government Administration and Elections reported through SEN. SLOSSBERG of the 14th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING A POST-EMPLOYMENT BENEFITS TASK FORCE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective July 1, 2007*) (a) There is established a task force
2 to study and make recommendations for a long-term solution to
3 address the state's unfunded liability for nonpension post-employment
4 benefits for state employees and teachers.

5 (b) The task force shall:

6 (1) Review and assess the state's unfunded liability for its current
7 and future retirees for nonpension post-employment benefits,
8 including, but not limited to, health insurance and prescription drug
9 benefits;

10 (2) Assess the causes for such unfunded liability, explore fiscally
11 responsible funding options and mechanisms for meeting such
12 liability, including, but not limited to, the issuance of bonds, creation

13 of trust instruments and any other appropriate funding vehicles; and

14 (3) Develop options and make recommendations based on the
15 conclusions reached by the task force.

16 (c) The task force shall consist of the following members:

17 (1) The State Treasurer, or the State Treasurer's designee;

18 (2) The State Comptroller, or the State Comptroller's designee;

19 (3) The Secretary of the Office of Policy and Management, or the
20 secretary's designee;

21 (4) Four members appointed by the Governor who shall have
22 experience in actuarial science, pension and benefits planning or
23 another relevant area of state finance; and

24 (5) Four bargaining unit representatives with experience in actuarial
25 science, pension and benefits planning or another relevant area of state
26 finance, one each appointed by the speaker of the House of
27 Representatives and the president pro tempore of the Senate, and one
28 each appointed by the majority leaders of the House of Representatives
29 and the Senate.

30 (d) The Secretary of the Office of Policy and Management shall serve
31 as chairperson of the task force and shall convene the initial meeting of
32 the task force not later than October 1, 2007.

33 (e) Not later than January 1, 2008, the task force shall submit its
34 report to the Governor and the joint standing committees of the
35 General Assembly having cognizance of matters relating to
36 appropriations and the budgets of state agencies and finance, revenue
37 and bonding, in accordance with section 11-4a of the general statutes.
38 The task force shall terminate upon submission of the report.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>July 1, 2007</i>	New section
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LAB *Joint Favorable Subst. C/R* GAE

GAE *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Policy & Mgmt., Off.	GF - Implements the Budget	See Below	See Below
Comptroller; Treasurer	GF - None	None	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill establishes a task force to study and make recommendations for a long-term solution to address the state's unfunded liability for non-pension post employment benefits for state employees and teachers. The bill appoints the Secretary of the Office of Policy and Management (OPM), the Comptroller, the Treasurer, or their designees, which results in no fiscal impact to any of these agencies. The Governor's recommended budget, HB 7077, contains \$100,000 in OPM to study the state's unfunded obligations to provide retiree insurance. It is anticipated that these funds may be used by OPM in order to support the work of the task force.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 1130*****AN ACT CONCERNING A POST-EMPLOYMENT BENEFITS TASK FORCE.*****SUMMARY:**

This bill creates a task force to study and make recommendations for a long-term solution to the state's unfunded liability for the retirement health benefits of state employees and teachers. The 11-member task force must (1) review and assess the unfunded liability for its current and future retirees for nonpension post-employment benefits, including health insurance and prescription drug benefits, and (2) develop options and make recommendations for addressing the situation in a report due by January 1, 2008.

Effective date: July 1, 2007

TASK FORCE DUTIES

The task force must:

1. review and assess the unfunded liability for its current and future retirees (state employees and teachers) for nonpension post-employment benefits, including health insurance and prescription drug benefits;
2. assess the causes of the unfunded liability;
3. explore fiscally responsible options and mechanisms for meeting the liability, including issuing bonds, creating a trust, and other appropriate funding vehicles; and
4. make recommendations based on the task force's conclusions.

The task force must submit its report to the governor and the

Appropriations and Finance, Revenue and Bonding committees by January 1, 2008. It must terminate upon submission of the report.

MEMBERSHIP

The 11-member task force is made up of:

1. the Office of Policy and Management (OPM) secretary, the comptroller, and the treasurer (or a designee any of these name to serve in his or her place);
2. four members the governor appoints, who must have experience in actuarial science, pension and benefits planning, or another relevant area of state finance; and
3. four union representatives with experience in actuarial science, pension and benefits planning, or another relevant area of state finance (one each appointed by the House speaker, the Senate president pro tempore, and the House and Senate majority leaders).

The OPM secretary serves as chairperson of the task force and must convene the first meeting by October 1, 2007.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute Change of Reference
Yea 10 Nay 0 (03/15/2007)

Government Administration and Elections Committee

Joint Favorable
Yea 13 Nay 0 (03/28/2007)